

AMENDED

NO. 71735

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER  
OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF  
NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office OCT 04 2004

Returned to applicant for correction OCT 19 2004

Corrected application filed DEC 08 2004

Map filed MAR 13 2003 under 69732

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The applicant **Newmont Exploration Limited (75%) and Touchstone Resources Co. (25%)** hereby makes application for permission to change the **Point of Diversion, Place of Use and Manner of Use** of water heretofore appropriated under **Permit 52750 Cert. 14005**

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1. The source of water is **underground**
2. The amount of water to be changed **.116 CFS**
3. The water to be used for **Mining and Milling and dewatering**
4. The water heretofore permitted for **Mining and Milling**
5. The water is to be diverted at the following point **within the SE¼ SW¼ of Section 4, T.37N., R.48E., M.D.B.M. or at a point from which the South ¼ corner of said Section 4 bears S 48° 58' E, a distance of 1039.00 feet**
6. The existing permitted point of diversion is located within **the NE¼ NE¼ of Section 8, T.37N., R.48E., M.D.B.M, or at a point from which the NE corner of said Section 8 bears N 76° 13' 00" E, a distance of 240.00 feet**
7. Proposed place of use **See Attachment**
8. Existing place of use **within Sections 3, 4, 5, 8, 9, and 10, T.37N., R.48E., M.D.B.&M. and Sections 32, 33&34, T.38N., R.48E., M.D.B.&M.**
9. Use will be from **January 1st to December 31st** of each year.
10. Use was permitted from **January 1st to December 31st** of each year.
11. Description of proposed works **See Attachment**
12. Estimated cost of works **\$800,000±**
13. Estimated time required to construct works **1 year**
14. Estimated time required to complete the application of water to beneficial use **2 years**

15. Remarks: See map that supports Application 52750 for the existing point of diversion and place of use. See map that supports Application 69732 for the proposed point of diversion and place of use.

By John H. Milton III  
s/ John H. Milton III  
146 West Second Street  
Winnemucca, NV 89445

Compared gkl/sc      lt/

Protested \_\_\_\_\_

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#### APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion, place of use and manner of use of the waters of an underground source as heretofore granted under Permit 52750, Certificate 14005 is issued subject to the terms and conditions imposed in said Permit 52750, Certificate 14005 and with the understanding that no other rights on the source will be affected by the change proposed herein. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

This permit will allow the permittee to remove water from an underground exploration and mining project. It is understood that any water pumped from the decline as a result of this operation will be used first by the permittee for underground exploration and other related mining uses within the described place of use of this permit.

All of the water from the dewatering decline not used for underground exploration and mining purposes will be returned to the groundwater source in the Rock Creek Valley Groundwater Basin, in a manner authorized by permits from the Nevada Division of Environmental Protection.

Monthly records will be kept of the following: the amount of water pumped from the mine; the amount of water used for underground exploration and mining purposes; the amount of water sent to the Rapid Infiltration Basin discharge system or other authorized discharge system; and the estimated amount of water recharged to the groundwater system. These records must be submitted to the State Engineer on a quarterly basis, within 15 days after the end of each calendar quarter. A method that estimates the amount of evaporative losses from the discharge system will be submitted with the monthly report. The evaporative losses will be considered as a part of the duty for consumptive purposes.

The State Engineer retains the right, at any time, to require the permittee cooperate in the funding of additional monitoring and modeling by an independent third party. The State Engineer retains the right to impose future conditions as necessary upon review and evaluation of all data submitted and reported on the quarterly report. The State Engineer retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and existing rights.

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This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from the State, Federal and local agencies and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering discharge project.

Upon permanent cessation of all mining, milling and dewatering purposes, all water granted under the permit will revert back to the source from which it was appropriated, except for any water requirements needed for any mine closure plan and/or to mitigate any adverse impacts caused by dewatering.

All of the above stated conditions are issued subject to having no adverse impacts on existing rights.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.116 cubic feet per second, but not to exceed 33.015 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

September 20, 2006

Proof of completion of work shall be filed on or before:

October 20, 2006

Water must be placed to beneficial use on or before:

September 20, 2008

Proof of the application of water to beneficial use shall be filed on or before:

October 20, 2008

Map in support of proof of beneficial use shall be filed on or before:

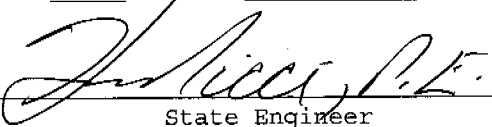
N/A

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 20th day of September A.D. 2005

  
State Engineer

Completion of work filed \_\_\_\_\_

Proof of beneficial use filed \_\_\_\_\_

Cultural map filed N/A

Certificate No. \_\_\_\_\_ Issued \_\_\_\_\_

**Attachment****Question 7**

Sections 33, 34, 35&36 of T.39N., R.46E.; Section 31, 32, 33, 34, 35&36 of T.39N., R.47E.; Sections 2, 3&4 of T.38N., R.46E.; Sections 1, 2, 12&13 of T.38N., R.47E.; Sections 17, 18, 19, 20, 29, 30, 31, 32, 33&34 of T.38N., R.48E.; Sections 3, 4, 5, 8, 9, 10, 16, 17, 20, 21, 28, 29, 32&33 of T.37N., R.48E., M.D.B.&M.

**Question 11**

Underground collection sumps, pumps and piping to surface ponds; transfer pumps from surface ponds to recycle system, rapid infiltration basins and/or injection wells.